GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:189
ANSWERED ON:01.12.2000
INSIDER TRADING IN STOCK EXCHANGES
SHIVAJI MANE

Will the Minister of FINANCE be pleased to state:

(a) whether India`s major bourses are in talks with London Stock Exchange forimplementing a sophisticated system for curbing insider trading as directed by SEBI;

(b) if so, the details in this regard;

(c) whether any MoU was also signed in this regard; and

(d) if so, the details thereof?

Answer

MINISTER OF FINANCE (SHRI YASHWANT SINHA)

(a) The Securities and Exchange Board of India(SEBI) has intimated that neither ofthe two major stock exchanges of India, the National Stock Exchange of India Ltd. (NSE)and The Stock Exchange, Mumbai (BSE) arein talks with the London Stock Exchange (LSE) for implementing any system to curb insider trading.

(b) Does not arise

(c) and (d): SEBI has intimated that NSEand BSE had signed a Memorandum of Cooperation(MoC) with LSE to facilitate exchange of information, knowledge and experiences between the two exchanges, for a safe and orderly development of the stock markets. The MoC provides for exchange of information on

(i) knowledge and experiences useful and vital to future business development,

(ii) cross-listed securities and

(iii) the markets under their regulatory jurisdiction.